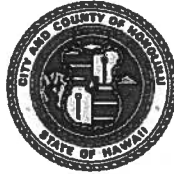


**OFFICE OF THE MAYOR
CITY AND COUNTY OF HONOLULU**

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KIRK CALDWELL
MAYOR

ROY K. AMEMIYA, JR.
MANAGING DIRECTOR

GEORGETTE T. DEEMER
DEPUTY MANAGING DIRECTOR

June 24, 2016

The Honorable Carolyn Flowers
Acting Administrator
Federal Transit Administration (FTA)
U.S. Department of Transportation
1200 New Jersey Avenue, S.E.
Washington, District of Columbia 20590

The Honorable Leslie Rogers
Regional Administrator
Federal Transit Administration (FTA), Region IX
U.S. Department of Transportation
90 7th Street, Suite 15-300
San Francisco, California 94103-6701

Dear Administrator Flowers and Regional Administrator Rogers:

This letter responds to Administrator Roger's letter of June 6, 2016 requesting the City and County of Honolulu (City) and the Honolulu Authority for Rapid Transportation (HART) submit a *Recovery Plan* for completion of the Honolulu Rail Transit Project (Project) to the FTA by August 7, 2016.

We appreciate the FTA acknowledging the many challenges HART has faced in the course of implementing the Project and we share the FTA's objective to contain future construction costs and mitigate the slippage in schedule the Project has experienced to date. We want to assure the FTA, as our federal partner, that we intend to submit a *Recovery Plan* that accurately reflects the City's preferred path forward in constructing the Project. We also want to emphasize that while the *Recovery Plan* is important to the City and FTA for recalibrating this Project, it in no way reduces the City's commitment to 20 miles and 21 stations under the minimum operable segment (MOS).

Request for Extension of Time to Provide a *Recovery Plan*

While we acknowledge the FTA's desire to receive a *Recovery Plan* by August 7, 2016, the size of the potential funding gap in the Project is such that additional time is needed to carefully assess all options. As such, the City proposes June 1, 2017 for the submission of its *Recovery Plan*.

The Honorable Carolyn Flowers
The Honorable Leslie Rogers
June 24, 2016
Page Two

A June 1, 2017 date will provide the City the time it needs to more fully develop and cost Project options based not only on the resources available today, but resources the City intends to aggressively pursue between now and the first half of CY2017. It is the City's unwavering commitment to rail that drives our request for more time to submit a *Recovery Plan* that is thorough, achievable and, frankly, honors our commitment.

Assurance of Project Progress – Work Plan

To assure you our request to submit the City's *Recovery Plan* by mid-2017 in no way adversely affects our continued progress on the Project, please find the City's Project Work Plan through mid-2017 attached hereto.

In closing, thank you Administrator Flowers and Regional Administrator Rogers for your continued willingness to work with the City on a plan to complete the Honolulu Rail Transit Project and provide safe, effective and affordable mass transportation services to our communities on Oahu.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kirk Caldwell', with a long, wavy horizontal line extending to the right.

Kirk Caldwell
Mayor

Attachment

cc. Ms. Colleen Hanabusa, Chairwoman, HART Board of Directors
HART Board of Directors
Mr. Dan Grabauskas, Executive Director
Honorable Ernest Y. Martin, Chair and Presiding Officer and Members
Honorable David Ige, Governor
Honorable Brian Schatz, U.S. Senator
Honorable Mazie Hirono, U.S. Senator
Honorable Tulsi Gabbard, U.S. Representative
Honorable Mark Takai, U.S. Representative
Honorable Ron Kouchi, State Senate President
Honorable Joseph Souki, State House Speaker

The Honorable Carolyn Flowers
The Honorable Leslie Rogers
June 24, 2016

WORK PLAN

- Complete construction of West Side Stations and Guideway (East Kapolei to Aloha Stadium) to have interim service beginning in 2021.
- Continue land acquisition activities necessary for Dillingham Boulevard to enable an advanced utility relocation and road widening project. On-going
- Continue potholing and other pre-construction activities in support of design completion and reduce any further construction risks. On-going
- Continue with completion of design for utility relocation work on the City Center Guideway and Stations alignment including underground of 138 KV. On-going
- Continue outreach to community and businesses along City Center Guideway & Stations alignment route. On-going
- Award Airport Guideway and Stations contract. Q3 2016.
- Complete installation and testing of signaling equipment in the Yard and Yard Control Bungalow. Q4 2016
- Complete Testing and Commissioning of Traction Power Substations at Yard TPSS and Waipahu TPSS. Q4 2016
- Complete Static testing of Train 1. Q4 2016
- Begin Train Signaling and Communications cable installation on Guideway. Q4 2016
- Complete power cabling installation on Train test track between Waipahu Station and West Loch Station. Q1 2017
- Receive second train at Rail Operations Center. Q1 2017
- Begin Train testing in Yard on Yard Test Track. Q1 2017
- Begin Train testing on Guideway. Q2 2017
- Potentially issue an advance utility relocation and roadway widening contract for the Dillingham Blvd segment. Q2 2017



U.S. Department
of Transportation

**Federal Transit
Administration**

Administrator

1200 New Jersey Avenue, SE
Washington, DC 20590

JUL 21 2016

The Honorable Kirk Caldwell
Mayor of Honolulu
530 South King Street, Suite 300
Honolulu, HI 96813

Dear Mayor Caldwell:

Thank you for your June 24 letter seeking an extension of time for submittal of a Recovery Plan for the Honolulu Rail Transit Project (Project). The Federal Transit Administration (FTA) is amenable to an extension, but must insist that the City and County and the Honolulu Authority for Rapid Transportation (HART) provide FTA with such a plan no later than the end of this calendar year. Also, no later than the end of this August, HART and FTA must meet to discuss the immediate milestones and deliverables for an interim plan on how the Project will move forward, and I will expect that plan by the end of September 2016.

Please recognize, FTA is obliged to protect the public's very substantial investment in the Project, thus we need to know the City and County's intentions for resolving your planning, engineering, and financial issues as quickly as practicable.

For the future of the Project the City and County must make a fundamental choice to either reduce the scope of the Project, consistent with the financial resources currently available, or seek additional, non-Federal resources sufficient to complete the functional scope of work under our Full Funding Grant Agreement of December 2012, or undertake some combination of these. Your Recovery Plan must then be based on your decision whether to reduce the Project scope or seek additional, non-Federal resources, or both. Logically, your first step will be to identify a range of viable options for cost containment, new investments in the Project, perhaps an interim terminus or deferral of certain stations, and an analysis of the costs and estimated ridership associated with each such option. As local deliberations continue, FTA cautions the City and County to refrain from any procurements or other actions that would foreclose viable options for maximizing Project benefits or prejudice FTA's decision on a Recovery Plan.

My staff and I have several thoughts that should be discussed with HART during the month of August. Mr. Leslie Rogers, FTA Region IX Administrator, will call you to make arrangements for that purpose.

Sincerely yours,

Carolyn Flowers
Acting Administrator

cc: Mr. Dan Grabauskas
Mr. Leslie Rogers